

New Year's Message from FUKUDA Nobuo, Chairman of JCIA

I would like to extend my warmest wishes to you all and make some remarks for the New Year.

The world economy is showing a downward tendency due to the conflict in Ukraine, an energy crisis and moves to monetary tightening. Although Japan is much influenced by this trend and demand seems to be weak in some of industries, the Japanese economy as a whole is gradually improving, driven by the recovery of demand for face-to-face services and of inbound demand following the mitigation of behavioral restrictions caused by COVID-19. However, because of the uncertainties ahead of us, we cannot think optimistically about the future. Nonetheless, the chemical industry will continue to supply products that are indispensable for people's convenient living and will proactively work to foster innovations that will help solve social issues, thereby achieving its own sustainable growth.

There are two major targets to be achieved for the creation of a sustainable society. The first target is carbon neutrality. To attain this target, as represented by the ongoing examination of the related issues by the GX Implementation Council, both companies and the government are implementing measures on a full scale for GX, which stands for green transformation and means to promote a shift from the use of fossil fuels to that of clean energy toward reforming the whole of our socioeconomic systems.

The chemical industry is a large emitter of CO₂ but can also provide industries in the downstream sections of the supply chain and society at large with new solutions to reduce CO₂ emissions. As an industry, we will speed up measures that contribute to carbon neutrality, such as measures for fuel conversion, chemical recycling, and for raw material conversion including the use of CO₂ as a raw material for carbon circulation.

The second target is to build a society where the recycling of plastics is further fostered for sustainability. Marine plastic waste was widely recognized as a problem in 2015, and in Japan the Act on Promotion of Resource Circulation for Plastics was enforced last year. On the international front, the United Nations led the member states to make a resolution on the formulation of an

international treaty to stop plastic pollution. Accordingly, examinations will be made to decide on the details, and to this end multilateral negotiations have already been started.

As part of the Japan Initiative for Marine Environment (JaIME) activity, JCIA has been giving support to Asian countries through initiatives such as holding a training session to share Japan's waste management know-how with them. Based on this experience, JCIA will communicate the usefulness of plastics while also insisting on the need to implement measures against plastic pollution throughout their life cycles through the International Council of Chemical Associations (ICCA) and will contribute to discussions on matters such as recycling-oriented product design and the improvement of waste management infrastructure toward the establishment of a flexible and effective international framework to address plastic-related issues while giving due consideration to the situation of each country.

For the attainment of these targets, it is also essential to raise the public's awareness about environmental value. To this end, we will work for the quantitative evaluation of the contributions made by chemical products to the reduction of environmental impact throughout their life cycles, for example by using the carbon life cycle analysis (cLCA) method.

Finally, the chemical industry attributes importance to ensuring safety and security as the foundation for its sustainable development. In order to nurture and instill a culture of safety across the industry, we have been conducting an analysis of frequently occurring incident types and their causal factors by referring to past data on occupational accidents and holding lectures on industrial safety based on the findings. Moreover, we have been conducting Responsible Care activities and organizing various training sessions and seminars to support the implementation of the measures that underpin the foundation of the chemical industry.

Let me close my remarks for the New Year by wishing you prosperity and success throughout the year and asking for your continued support for JCIA's activities and operations.